

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7886

BILL NUMBER: HB 1859

DATE PREPARED: Jan 30, 2001

BILL AMENDED:

SUBJECT: Rules to Implement Medicaid Waiver.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X

**GENERAL
DEDICATED
FEDERAL**

X

IMPACT: State

Summary of Legislation: This bill requires the Office of the Secretary of Family and Social Services (FSSA) to adopt rules to implement the adult foster care, assisted living, and adult day care Medicaid waivers. The bill allows FSSA to adopt emergency rules to implement the waiver on an emergency basis. The bill also requires FSSA to adopt standards that an entity must meet to provide services under the waiver.

Effective Date: Upon passage.

Explanation of State Expenditures: There would be no fiscal impact to the adoption of rules for implementing the Adult Foster Care, the Assisted Living, and the Adult Day Care waivers. However, implementation of the waivers is expected to cost about \$2.73 M in FY 2002 and \$6.13 M in FY 2003 in state dollars. The state match is in FSSA's budget request for FY 2002 and FY 2003.

Background: The projected service expenditures and federal reimbursement for each of the waivers is provided in the following table.

| | FY 2002 | FY 2003 |
|------------------------------------|------------------|------------------|
| Assisted Living Waiver: | | |
| Federal Share | \$866,658 | \$4,629,010 |
| State Share | 530,277 | 2,832,322 |
| Total | \$1,396,935 | \$7,461,332 |
| Adult Foster Care Waiver: | | |
| Federal Share | \$192,753 | \$409,597 |
| State Share | 117,939 | 250,617 |
| Total | \$310,692 | \$660,214 |
| Adult Day Care Waiver: | | |
| Federal Share | \$1,460,390 | \$3,012,545 |
| State Share | 893,559 | 1,843,265 |
| Total | \$2,353,949 | \$4,855,810 |
| Total Service Costs: | | |
| Federal Share | \$2,519,802 | \$8,051,152 |
| State Share | 1,541,774 | 4,926,204 |
| Total | \$4,061,576 | \$12,977,356 |
| Total Administrative Costs: | | |
| Federal Share | \$1,185,153 | \$1,204,072 |
| State Share | 1,185,153 | 1,204,072 |
| Total | \$2,370,306 | \$2,408,144 |

Additional administrative expenditures to implement the waivers are the following: Adult Protective Services Program (\$1,374,624 for FY 2002; \$1,412,462 for FY 2003); Adult Guardianship Program (\$656,682 for each of FY 2002 and FY 2003); Long-Term Care Ombudsman Program (\$339,000 for each of FY 2002 and FY 2003). The total federal and state shares of service and administrative expenditures are provided in the table above.

The state match for service expenditures in the Medicaid program is approximately 38% with the federal share being about 62%. Administrative costs are shared at a 50% rate. The state match is included in FSSA's budget request for the FY 2002 and FY 2003 biennium.

Explanation of State Revenues: See Explanation of State Expenditures, above, regarding federal financial participation in the Medicaid program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Susan Preble, Legislative Liaison for the Family and Social Services Administration, (317) 232-1149.